

Part 7
Payment Process and Sources for Paying
Proved Claims Against Governmental Entities

63G-7-701 Payment of claim or judgment against state -- Presentment for payment.

- (1) Each claim, as defined by Subsection 63G-7-102(1), that is approved by the state or any final judgment obtained against the state shall be presented for payment to:
 - (a) the state risk manager; or
 - (b) the office, agency, institution, or other instrumentality involved, if payment by that instrumentality is otherwise permitted by law.
- (2) If payment of the claim is not authorized by law, the judgment or claim shall be presented to the board of examiners for action as provided in Section 63G-9-301.
- (3) If a judgment against the state is reduced by the operation of Section 63G-7-604, the claimant may submit the excess claim to the board of examiners.

Amended by Chapter 278, 2013 General Session

63G-7-702 Payment of claim or judgment against political subdivision -- Procedure by governing body -- Payment options.

- (1)
 - (a) Each claim approved by a political subdivision or any final judgment obtained against a political subdivision shall be submitted to the governing body of the political subdivision.
 - (b) The governing body shall pay the claim immediately from the general funds of the political subdivision unless:
 - (i) the funds are appropriated to some other use or restricted by law or contract for other purposes;
 - (ii) the political subdivision opts to pay the claim or award in installments under Subsection (2); or
 - (iii) the political subdivision elects to bond for the portion of the claim, judgment, or settlement that exceeds \$3,000,000 in accordance with Subsection 11-14-103(1)(d).
- (2) Except as provided in Subsection (3), if the subdivision is unable to pay the claim or award during the current fiscal year, it may pay the claim or award in not more than 10 ensuing annual installments of equal size or in whatever other installments that are agreeable to the claimant.
- (3) If a political subdivision elects to bond for the portion of a claim, judgment, or settlement that exceeds \$3,000,000 in accordance with Subsection 11-14-103(1)(d), the political subdivision may issue bonds with a maturity date not to exceed 21 years.

Amended by Chapter 386, 2016 General Session

63G-7-703 Reserve funds for payment of claims or purchase of insurance created by political subdivisions.

Any political subdivision may create and maintain a reserve fund or, may jointly with one or more other political subdivisions, make contributions to a joint reserve fund, for the purpose of:

- (1) making payment of claims against the cooperating subdivisions when they become payable under this chapter; or
- (2) for the purpose of purchasing liability insurance to protect the cooperating subdivisions from any or all risks created by this chapter.

Renumbered and Amended by Chapter 382, 2008 General Session

63G-7-704 Tax levy by political subdivisions for payment of claims, judgments, or insurance premiums.

- (1) Notwithstanding any provision of law to the contrary, a political subdivision may levy an annual property tax sufficient to pay:
 - (a) any claim, settlement, or judgment, including interest payments and issuance costs for bonds issued under Subsection 11-14-103(1)(d) to pay the portion of any claim, settlement, or judgment that exceeds \$3,000,000;
 - (b) the costs to defend against any claim, settlement, or judgment; or
 - (c) for the establishment and maintenance of a reserve fund for the payment of claims, settlements, or judgments that may be reasonably anticipated.
- (2)
 - (a) The payments authorized to pay for punitive damages or to pay the premium for authorized insurance is money spent for a public purpose within the meaning of this section and Article XIII, Sec. 5, Utah Constitution, even though, as a result of the levy, the maximum levy as otherwise restricted by law is exceeded.
 - (b)
 - (i) Except as provided in Subsection (2)(b)(ii), a levy under this section may not exceed .0001 per dollar of taxable value of taxable property.
 - (ii) A levy under Subsection (1)(a) to pay the portion of any claim, settlement, or judgment that exceeds \$3,000,000 may not exceed .001 per dollar of taxable value of taxable property.
 - (c) The revenues derived from this levy may not be used for any purpose other than those specified in this section.
- (3) Beginning January 1, 2012, a local school board may not levy a tax in accordance with this section.
- (4) A political subdivision that levies an annual property tax under Subsection (1)(a) to pay the portion of any claim, settlement, or judgment that exceeds \$3,000,000:
 - (a) shall comply with the notice and public hearing requirements under Section 59-2-919; and
 - (b) may levy the annual property tax until the bonds' maturity dates expire.

Amended by Chapter 386, 2016 General Session